

**Metropolitan Transportation Commission
Programming and Allocations Committee**

September 13, 2006

Item Number 3a

Resolution Nos. 3747, Revised, 3770, Revised

Subject: Allocation of \$11.6 million in Regional Measure 2 (RM2) program funds to AC Transit for FY 2006-07 operating assistance of TransBay Express Bus services and the Rapid Bus service in the Berkeley/Oakland/San Leandro corridor, and to MTC for the RM2 Marketing Program for the TransLink® launch with AC Transit and Golden Gate Transit and other RM2 start up efforts.

Background: **Operating Project #4: AC Transit TransBay services.**
AC Transit operates express bus routes across the Bay, San Mateo/Hayward, and Dumbarton bridges. RM2 provided funding under the Regional Express Bus (REB) South Pool to augment these services by adding new routes or reducing headways on existing routes. The RM2 subsidy is broken down by bridge corridor as follows:

Bay Bridge	\$3,444,856
San Mateo Bridge	\$1,699,065
Dumbarton Bridge	\$ 306,638

In addition to the actual operations, AC is requesting \$700,000 in start-up costs for this project; \$600,000 for the final phase of its initial marketing campaign and \$100,000 to complete TransBay ridership projections. Since this latter project was not included in the FY 2006-07 RM2 operating Program, we are recommending a revision to MTC Resolution No. 3747 to add this element.

Operating Project #12: AC Transit Rapid Bus

AC Transit implemented the initial phase of this project in FY 2005-06 with enhanced service along the Telegraph/International/East 14th Corridor. A number of capital elements of this project (signal preemption, bus stops, real time transit information) are nearing completion and the rapid bus operating phase is scheduled for implementation in October.

RM2 Marketing Program

Under RM2 legislation, Section 30914 (f) of the Streets and Highways Code, a portion of the toll revenues shall be made available for the marketing of projects and transit operations funded by RM2 dollars. Within this authority, staff requests a set-aside of \$1 million for the TransLink® project, to be allocated to MTC for disbursement to AC Transit and Golden Gate Transit for the launch of TransLink® on their systems. In addition, another \$1.5 million is being requested as a set-aside for other RM2 start up efforts in FY 2006-07. Staff will work with eligible sponsors to determine what specific efforts should be funded through the balance of the year.

TABLE 1: SUMMARY OF PROPOSED SEPTEMBER ALLOCATIONS

RM2 No.	Project Title	Sponsor/ Implem. Agency	Proposed Allocation	Phase	MTC Res. No.
Operating Program – New Allocations					
4.1	TransBay Express Bus Services	AC Transit	\$6,150,559	Operating	3770, Revised
12	Rapid Bus – Berkeley/Oakland/ San Leandro Corridor	AC Transit	\$3,000,000	Operating	3770, Revised
N/A	RM2 Marketing Program	MTC	2,500,000	Operating	3770, Revised
Program Total			\$11,650,559		

Issues: None.

Recommendation: Refer Resolution Nos. 3747, Revised, and 3770, Revised to the Commission for approval.

Attachments: MTC Resolution Nos. 3747, Revised, and 3770, Revised

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Date: April 26, 2006
W.I.: 1255
Referred by: PAC
Revised: 09/27/06-C

ABSTRACT

Resolution No. 3747, Revised

This resolution adopts the Regional Measure 2 (RM2) Operating Assistance Program for FY 2006-07.

This resolution was revised on September 27, 2006 to add an AC Transit ridership study and the RM2 Marketing Program to the Program.

Further discussions of these actions are contained in the Executive Director's memoranda and/or Summary Sheets dated April 12, 2006 and September 13, 2006.

FY 2006-07 RM-2 Operating Allocation Plan

Project #	Project Name	Operator	Route	Allocation Amount (1)
1	Richmond Bridge Express Bus	Golden Gate Transit	Route 40	2,163,473
3	Express Bus North	Vallejo/Fairfield	Enhanced I-80 Express bus	1,854,405
		ECCTA	Route 300	523,975
		CCCTA	Route 980	407,970
		Fairfield/Suisun Transit	Route 40	80,906
		Golden Gate Transit	Route 72	149,029
		Golden Gate Transit	Route 75	143,191
		WestCat	Route 30Z/JPX	245,610
		Total		3,405,086
4	Express Bus South	AC Transit	TransBay Bay Bridge Corridor	3,444,856
		AC Transit	Hayward/San Mateo Corridor	1,699,065
		AC Transit	Dumbarton Corridor	306,638
		AC Transit	TransBay Marketing	600,000
		AC Transit	TransBay Ridership Study (2)	100,000
		WestCat	Hercules Transbay	222,950
		Total		6,373,509
9	Vallejo Ferry	Vallejo	Augmented Ferry Service to S.F.	2,740,500
10	Owl Service	AC Transit	Owl operations	1,122,117
		CCCTA	Owl operations	293,153
		LAVTA	Owl operations	100,000
		MUNI	Owl operations	184,730
		SamTrans	Owl operations	100,000
		Total		1,800,000
11	MUNI Metro 3rd Street	SF MUNI	Metro 3rd Street extension	2,500,000
12	AC Transit Rapid Bus Corridor	AC Transit	Enhanced Bus Service in the Berkeley/Oakland/San Leandro Corridor	3,000,000
13	TransLink®	MTC	Initial operating support	8,000,000
14	WTA planning	WTA	Planning and operations	3,000,000
N/A	RM2 Marketing	MTC	Various	2,500,000
			Grand Total	35,482,568

- Notes:
1. The amounts listed reflect the RM-2 base subsidy, with certain projects subject to a 1.5% annual escalation rate.
 2. Ridership Study added on 9/27/06.

Date: July 26, 2006
W.I.: 1255
Referred by: PAC
Revised: 09/27/06-C

ABSTRACT

MTC Resolution No. 3770, Revised

This resolution approves the allocation of the Regional Measure 2 operating and planning funds for FY 2006-07.

This resolution was revised on September 27, 2006 to allocate operating funds to AC Transit for TransBay bus services and rapid bus service in the Berkeley/Oakland/San Leandro corridor, and to MTC for the RM2 Marketing Program.

Additional discussion of these allocations is contained in the Executive Director's memoranda to the MTC Programming and Allocations Committee and/or the Summary Sheets dated July 12, 2006 and September 13, 2006.

Date: July 26, 2006
W.I.: 1255
Referred by: PAC
Revised: 09/27/06-C

Attachment A
MTC Resolution No. 3770
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FY 2006-07 ALLOCATION OF REGIONAL MEASURE 2 FUNDS
FOR TRANSIT OPERATIONS AND PLANNING

<u>Implementing Agency</u>	<u>Project Description</u>	<u>Allocation Amount</u>	<u>Allocation Code</u>	<u>Approval Date</u>
Water Transit Authority	Planning and administration	\$3,000,000	01	07/26/06
AC Transit	Transbay service	\$6,150,559	02	09/27/06
AC Transit	Berkeley/Oakland/San Leandro Corridor rapid bus operations	\$3,000,000	03	09/27/06
MTC	RM2 Marketing Program	\$2,500,000	04	09/27/06
	TOTAL	\$14,650,559		

Date: July 26, 2006
W.I.: 1255
Referred by: PAC
Revised: 09/27/06-C

Attachment B
MTC Resolution No. 3770
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REGIONAL MEASURE 2
Project Specific Conditions
Operating and Planning Projects
California Streets and Highway Code 30914(d)

The allocation and reimbursement of RM2 funds are conditioned upon the following for the projects identified below:

Project: RM2 Marketing Program

Lead Sponsor: MTC

Project Title: RM2 Marketing Program

- 1) MTC will enter into funding agreements with sponsors to implement the program.

Project # 14

Lead Sponsor: Water Transit Authority (WTA)

Project Title: Planning and administration

- 1) These funds are limited to planning/administrative expenses consistent with the FY 2006-07 WTA Work Plan submitted to MTC and embodied in the Operating Assistance Proposal.
- 2) This project is not subject to the RM2 operating performance standards.

Project # 4.1

Lead Sponsor: AC Transit

Project Title: Transbay Service

- 1) In accordance with MTC's Policies and Procedures, these routes are subject to the following farebox recovery ratios:
 - Rte LA: 20% starting in FY 2006-07.
 - Rtes J, ME, U, and Bay Br. augmentation rtes.: 30% starting in FY 2007-08.
 - Rtes M and NL: 20% starting in FY 2007-08.

Project # 12

Lead Sponsor: AC Transit

Project Title: Enhanced Bus Service in the Berkeley/Oakland/San Leandro Corridor.

- 1) Because this route functions in part as a feeder to Transbay services, it is not subject to a route-specific farebox recovery target. This project meets the eligibility requirement as long as AC Transit achieves its system wide performance established under state law for receiving TDA, STA, and AB 1107 funds.

Regional Measure 2 Operating Assistance Proposal Fact Sheet

Legislative Project #: 4

Project Description: AC Transit Transbay Service

Operating Plan - Request for RM2 Funds

	FY 05/06	FY 06/07	FY 07/08	FY 08/09	FY 09/10	FY 10/11
Operating Budget						
Total Operating Cost	4,055,339	8,966,778	8,390,780	8,516,642	8,634,392	
-- Fare Revenue	1,047,505	1,917,183	2,250,376	2,526,415	2,655,826	
-- RM 2 Operating Assistance Request	2,130,246	6,150,356	5,215,479	5,043,614	5,009,799	
-- Other Subsidy	877,588	899,239	924,925	946,613	968,767	-
Total Revenues	4,055,339	8,966,778	8,390,780	8,516,642	8,634,392	-
Surplus/(Deficit)		-	-	-	-	-

Environmental Clearance

AC Transit has adopted a negative declaration for this project.

Rte J	FY 05/06	FY 06/07	FY 07/08	FY 08/09	FY 09/10	FY 10/11
Operating Budget						
Total Operating Cost	255,688	907,704	921,320	935,139	949,166	963,404
-- Fare Revenue	27,375	127,500	191,250	255,000	286,875	286,875
-- RM 2 Operating Assistance Request	228,313	780,204	730,070	680,139	662,291	676,529
-- Other Subsidy			-	-	-	-
Total Revenues	255,688	907,704	921,320	935,139	949,166	963,404
Estimated Annual Ridership	10,950	51,000	76,500	102,000	114,750	114,750
Average Weekday Ridership	150	200	300	400	450	450
Annual Revenue Vehicle Hours	2,062	7,204	7,204	7,204	7,204	7,204
Farebox Ratio	10.7%	14.0%	20.8%	27.3%	30.2%	29.8%
Passengers per hour	5.3	7.1	10.6	14.2	15.9	16
Change in pass per hour		33.3%	50.0%	33.3%	12.5%	-

Rte LA	FY 05/06	FY 06/07	FY 07/08	FY 08/09	FY 09/10	FY 10/11
Operating Budget						
Total Operating Cost	1,584,391	1,965,392	1,994,873	2,024,797	2,055,169	2,095,996
-- Fare Revenue	468,586	497,251	510,638	519,563	528,488	537,413
-- RM 2 Operating Assistance Request	238,217	568,902	564,652	565,000	565,488	576,115
-- Other Subsidy	877,588	899,239	919,583	940,234	961,193	982,468
Total Revenues	1,584,391	1,965,392	1,994,873	2,024,797	2,055,169	2,095,996
Estimated Annual Ridership	199,260	240,210	259,335	272,085	284,835	297,585
Average Weekday Ridership	942	942	1,017	1,067	1,117	1,167
Annual Revenue Vehicle Hours	12,778	15,599	15,599	15,599	15,599	15,599
Farebox Ratio	29.6%	25.3%	25.6%	25.7%	25.7%	
Passengers per hour	16	15.4	16.6	17.4	18.3	
Change in pass per hour		(0)	8.0%	4.9%	4.7%	

Rte M	FY 05/06	FY 06/07	FY 07/08	FY 08/09	FY 09/10	FY 10/11
Operating Budget						
Total Operating Cost	768,056	1,220,940	1,239,254	1,257,843	1,276,711	1,295,861
-- Fare Revenue	146,700	229,500	286,875	366,563	382,500	382,500
-- RM 2 Operating Assistance Request	621,356	991,440	952,379	891,280	894,211	
-- Other Subsidy						
Total Revenues	768,056	1,220,940	1,239,254	1,257,843	1,276,711	382,500
Estimated Annual Ridership	58,680	91,800	114,750	146,625	153,000	153,000
Average Weekday Ridership	360	360	450	575	600	600
Annual Revenue Vehicle Hours	6,194	9,690	9,690	9,690	9,690	9,690
Farebox Ratio	19.1%	18.8%	23.1%	29.1%	30.0%	29.5%
Passengers per hour	9.5	9.5	11.8	15.1	15.8	15.8
Change in pass per hour		0.00%	25.0%	27.8%	4.3%	0.0%

Rte MR	FY 05/06	FY 06/07	FY 07/08	FY 08/09	FY 09/10	FY 10/11
Operating Budget						
Total Operating Cost	226,300	803,250	815,299	827,528	829,941	852,540
-- Fare Revenue	27,375	95,825	191,250	239,063	255,000	270,938
-- RM 2 Operating Assistance Request	198,925	707,425	624,049	588,465	574,941	581,602
-- Other Subsidy		-	-	-	-	-
Total Revenues	226,300	803,250	815,299	827,528	829,941	852,540
Estimated Annual Ridership	10,950	51,000	76,500	95,625	102,000	108,375
Average Weekday Ridership	150	200	300	375	400	425
Annual Revenue Vehicle Hours	1,825	6,375	6,375	6,375	6,375	6,375
Farebox Ratio	12.1%	11.9%	23.5%	28.9%	30.7%	31.8%
Passengers per hour	6.0	8.0	12.0	15.0	16.0	17.0
Change in pass per hour		33.3%	50.0%	25.0%	6.7%	6.3%

Rte NL	FY 05/06	FY 06/07	FY 07/08	FY 08/09	FY 09/10	FY 10/11
Operating Budget						
Total Operating Cost	476,160	1,927,800	1,956,717	1,986,068	2,015,859	2,046,097
-- Fare Revenue	174,720	696,150	701,250	710,813	720,375	733,125
-- RM 2 Operating Assistance Request	301,440	1,231,650	1,250,125	1,268,876	1,287,910	1,307,229
-- Other Subsidy			5,342	6,379	7,574	5,743
Total Revenues	476,160	1,927,800	1,956,717	1,986,068	2,015,859	2,046,097
Estimated Annual Ridership	69,888	278,460	280,500	284,325	288,150	293,250
Average Weekday Ridership	1,092	1,092	1,100	1,115	1,130	1,150
Annual Revenue Vehicle Hours	3,840	15,300	15,300	15,300	15,300	15,300
Farebox Ratio	36.7%	36.1%	35.8%	35.8%	35.7%	35.8%
Passengers per hour	18.2	18.2	18.3	18.6	18.8	19.2
Change in pass per hour		-	0.7%	1.4%	1.3%	1.8%

Rte U	FY 05/06	FY 06/07	FY 07/08	FY 08/09	FY 09/10	FY 10/11
Operating Budget						
Total Operating Cost	474,300	481,950	489,179	496,517	503,965	511,524
-- Fare Revenue	175,313	175,313	177,863	180,413	182,963	184,875
-- RM 2 Operating Assistance Request	298,987	306,637	311,316	316,104	321,002	326,649
-- Other Subsidy						
Total Revenues	474,300	481,950	489,179	496,517	503,965	511,524
Estimated Annual Ridership	70,125	70,125	71,145	72,165	73,185	73,950
Average Weekday Ridership	275	275	279	283	287	290
Annual Revenue Vehicle Hours	3,825	3,825	3,825	3,825	3,825	3,825
Farebox Ratio	37.0%	36.4%	36.4%	36.3%	36.3%	36.1%
Passengers per hour	18.3	18.3	18.6	18.9	19.1	19.3
Change in pass per hour		-	1.5%	1.4%	1.4%	1.0%

Bay Bridge Commute Augmentation Rtes	FY 05/06	FY 06/07	FY 07/08	FY 08/09	FY 09/10	FY 10/11
Operating Budget						
Total Operating Cost	270,444	959,742	974,138	988,750	1,003,581	1,018,635
-- Fare Revenue	27,436	95,644	191,250	255,000	299,625	318,750
-- RM 2 Operating Assistance Request	243,008	864,098	782,888	733,750	703,956	699,885
-- Other Subsidy						
Total Revenues	270,444	959,742	974,138	988,750	1,003,581	1,018,635
Estimated Annual Ridership	10,950	51,000	76,500	102,000	119,850	127,500
Average Weekday Ridership	150	200	300	400	470	500
Annual Revenue Vehicle Hours	2,181	7,617	7,617	7,617	7,617	7,617
Farebox Ratio	10.1%	10.0%	19.6%	25.8%	29.9%	31.3%
Passengers per hour	5.0	6.7	10.0	13.4	15.7	16.7
Change in pass per hour		0	50.0%	33.3%	17.5%	6.4%

TransBay Start-up Costs	FY 06/07
Operating Budget	
Regional Advertising Campaign	\$ 600,000
Travel Model development	\$ 100,000
Total Start-up costs	\$ 700,000
RM2 Operating Assistance Request	\$ 700,000

Regional Measure 2 Operating Assistance Proposal Fact Sheet

Legislative Project #: 12

Project Description: AC Transit rapid bus service in the Berkeley/Oakland/San Leandro Corridor

Operating Plan - Request for RM2 Funds

	FY 05/06	FY 06/07	FY 07/08	FY 08/09	FY 09/108	FY 10/11
Operating Budget						
Total Operating Cost	18,542,003	18,891,132	19,091,968	19,390,280	19,688,592	19,986,904
-- Fare Revenue	3,761,181	3,762,620	3,810,100	3,863,650	3,924,900	3,986,150
-- RM 2 Operating Assistance Request	2,652,310	3,000,000	2,971,429	3,000,000	3,000,000	3,000,000
-- Other Subsidy	12,128,512	12,128,512	12,310,439	12,526,630	12,763,692	13,000,754
Total Revenues		18,891,132	19,091,968	19,390,280	19,688,592	19,986,904
Surplus/(Deficit)			-	-	-	-

Service Parameters

	FY 05/06	FY 06/07	FY 07/08	FY 08/09	FY 09/108	FY 10/11
Estimated Annual Ridership	5,373,115	5,375,050	5,432,000	5,519,500	5,607,000	5,694,500
Average Weekday Ridership	27,169	27,180	27,500	27,900	28,300	28,700
Annual Revenue Vehicle Hours	147,159	149,156	149,156	149,156	149,156	149,156
Annual Revenue Vehicle Miles	1,839,484	1,839,484	1,839,484	1,839,484	1,839,484	1,839,484

Performance Measures

	FY 05/06	FY 06/07	FY 07/08	FY 08/09	FY 09/108	FY 10/11
Required Measures Per MTC Resolution 3668						
Farebox Recovery Ratio	20%	20%	20%	20%	20%	20%
Passengers/Revenue Vehicle Hour	37	36	36	37	38	38
Change in Passenger Per Revenue Vehicle Hour		-1%	1%	2%	2%	2%

Environmental Clearance

AC Transit has filed a CEQA Categorical Exemption for this project.